GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1169
ANSWERED ON:01.08.2005
PRODUCTION OF IRON ORE
Khanna Shri Avinash Rai;Mahajan Shri Y.G.;Prabhu Shri Suresh Prabhakar;Reddy Shri Magunta Sreenivasulu;Saradgi Shri Iqbal Ahmed

Will the Minister of STEEL be pleased to state:

(a) whether the Government has formulated any scheme to increase the production of iron-ore in the country;

(b) if so, the details thereof;

(c) the details of the production of iron-ore in the country during each of the last three years;

(d) whether the Government has set any target for production of iron-ore in the country during the current year;

(e) if so, the details thereof;

(f) whether the Government proposes to frame any long-term policy on export of raw material; and

(g) if so, the details thereof alongwith the steps proposed to be taken to contain the price of steel?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a)&(b): Production of iron ore in the country is undertaken by various mining companies and steel plants operating captive mines. The Government, thus, on its own does not undertake any production of iron ore and hence the formulation of any scheme, by it, to increase production of iron ore, does not arise. Iron ore producing companies normally plan their production activities and levels depending on mine capacities, market conditions and need for conservation. As per available information production of iron ore in the country has been continuously increasing in the past several years.

(c) The production of iron ore in the country during each of the last three years is as below;
(Quantity: in million tonnes)

Year	Production
2002-03	99.07
2003-04	120.60
2004-05(E)	145

(Source: Indian Bureau of Mines, Nagpur)

(d)&(e): No, Sir. In a liberalized and deregulated environment, targets for production of iron ore are determined by the individual mining companies/steel plants operating captive mines, keeping in view the market demand and other related factors.

(f)&(g): The export policy for raw materials like iron ore, chrome ore and manganese ore has already been formulated and notified by Director General of Foreign Trade (DGFT) under the Foreign Trade Policy, which is valid from 1.4.2004 to 31.3.2009. As per the existing policy iron ore with ferrous content up to 64% is free for exports, while exports of high-grade iron ore (64% Fe and above) are canalized through Metal and Minerals Trading Corporation Limited. In relaxation of this policy, mine-owners, who have surplus iron ore after meeting the demand of domestic industry and MMTC, are also allowed to export high-grade iron ore under licence.

As regards steel prices, while the prices are determined by the interplay of market forces, Government has been taking various steps to ensure both adequate availability and stability in prices of steel in the domestic market. The measures taken by the Government inter-alia include considerable reduction in import duties on steel as well as steel making inputs, reduction in DEPB rates on steel items and fixation of value caps for all items of iron and steel and ferro alloys, increasing allocation of iron and steel materials for the SSI sector and advising steel PSUs to export only after fulfilling the domestic requirement.